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CAMPAIGN FINANCE GUIDE

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CITY AND TOWN CANDIDATES AND THEIR COMMITTEE TREASURERS

GOVERNMENT DOCUMENTS
COLLECTION



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF
CAMPAIGN & POLITICAL FINANCE

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THE CAMPAIGN FINANCE LAW

Chapter 55 of the Massachusetts General Laws is a comprehensive and specific state statute which covers a variety of areas concerning the financing of political campaigns in the Commonwealth. The statute does several things. It requires that candidates and political committees disclose contributions received and expenditures made. Complete and accurate campaign finance reports which disclose this activity must be filed timely with your city or town clerk or election commission. These campaign finance reports are public record. These reports are signed by candidates and/ or treasurers under the penalties of perjury.

The campaign finance laws also provide for limitations, and in some cases absolute prohibitions, on certain sources of campaign contributions. Additionally, the ways in which campaign funds may be spent is regulated through the statute as well as through guidelines established by this office. Chapter 55 also regulates certain conduct surrounding the raising and spending of campaign funds, such as the activities of public employees.

This publication is meant only to be a guide to the campaign finance laws, not a substitute for them. It is the responsibility of all those participating in political campaign financing in Massachusetts to familiarize themselves with the provisions of the law. Violations of the law carry penalties of fines and imprisonment or both.

WHERE TO FILE

File with your city or town clerk or election commission.

WHO MUST FILE

Reports must be filed by:

Candidates for nomination or election to city or town offices (except candidates for member of a representative town meeting or for member of town, city or ward committee).

(Under certain circumstances, an individual who accepts a contribution or makes an expenditure may thereby become a candidate even though he/she does not take out nomination papers.)

The **Treasurer** of a Political Committee organized on behalf of a municipal candidate.

Candidates that have filing requirements to the Office of Campaign and Political Finance by virtue of having been a candidate for a state or county office and are now a candidate for a city or town election should contact this office for the proper filing procedure.

The Candidate and the Treasurer must both file reports because both have the authority to receive and expend campaign funds.

Candidates and Treasurers are subject to penalties for failure to file.

WHAT FORMS ARE FILED

FORM CPF M101

Statement of Organization of a Political Committee

The law does not require a Candidate to have a committee but many candidates do have one.

The Committee may not accept any contributions or incur any expenses until the treasurer qualifies for the office of treasurer by filing Form CPF M101 with the city or town clerk or election committee.

This form contains the names and addresses of the committee Chairman and Treasurer and the Candidate for whom it is organized.

FORM CPF M102

Campaign Finance Report

Form CPF M102 must be executed by each candidates and each treasurer on each reporting date.

Form CPF M102 summarizes the following financial activity.

Schedule A-Receipts-An alphabetical listing of all contributors in excess of \$50 in a reporting period, with the date received and the residential address. This information must also be reported for receipts of \$50 or less if the total contributions from that person in the calendar year has exceeded \$50, otherwise the amounts of \$50 and under are one line totaled and included in total receipts.

Schedule B-Expenditures-An alphabetical listing of all disbursements of \$25 or more with the amount and date of payment, the name and address and the purpose of the expenditure. Those amounts under \$25 are one line totaled and included in the total expenditures.

The law requires that you identify all funds (whether receipts or expenditures) as either **FUND RAISING** or **GENERAL**. Refer to this form for further explanation.

Schedule C-In Kind Contributions (Anything of value other than money) A listing of those contributions whose value is in excess of \$50 including the date and from whom received, and their residential address and description of the contribution. For those contributions valued \$50 and under a one line total is included in the total of all in kind contributions for the period.

Schedule D-Liabilities-An alphabetical listing of **All** outstanding unpaid obligations as of the last day of the reporting period. Include the date incurred, the name and address to whom due and the purpose of the liability.

All of the above is summarized in a schedule on the front page of the report.

Instructions for completing the form are printed on the form itself.

Candidates and Treasurers are responsible for the legality, validity, completeness and accuracy of their reports.

WHEN TO FILE

FORM CPF M101 Statement of Organization of a Political Committee.

File the day the committee is organized. The Committee may not accept contributions nor incur expenses until the form has been filed with the city or town clerk or election commission.

Any change in information previously submitted shall be reported to the city or town clerk or election commission within ten days following the change.

FORM CPF M102 Campaign Finance Report.

The following reports must be filed whether or not money has been raised or expended and whether or not the candidate is nominated or elected.

Pre-Primary Report

File on or before the 8th day preceding the city or town preliminary or primary including a caucus, complete as to 10 days before the due date.

Pre-Election Report

File on or before the 8th day preceding the city or town election, complete as to 10 days before the due date.

Post-Election Report

If a town, 30 days following the election complete as to 10 days before the due date.

If a city, file on or before January 10 in the following year complete as of December 31.

Year-End Report

All incumbents and all candidate/committees that have a balance and/or liabilities, file on or before January 10 in the following year complete as of December 31 (must be filed every year).

Special Elections

Candidates and Treasurers in a special primary or election follow a similar reporting schedule plus an additional report on or before the 30th day following the Special

Election. Candidates should contact their clerk for specific dates.

The Report must be **received** by the city or town clerk or election commission before the close of business on the day the report is due.

DISSOLUTION OF THE COMMITTEE

Consult with the city or town clerk or election commission prior to preparing your statement of dissolution. Committees that do not dissolve must continue to report.

Section 18 of Chapter 55 provides that residual funds shall be donated to the Commonwealth of Massachusetts (Local Aid Fund).

POINTS TO REMEMBER

Disclosure Requirements.

- If a candidate has no activity of his/her own he/she may file a combined report with the committee treasurer.

See the instructions on the form.

- A candidate may have only one committee.
- Candidates and treasurers: Preserve your detailed accounts, vouchers, and receipts for six years from the date of the relevant election. This applies to winners and losers alike.
- If a candidate loses in the primary, the candidate and treasurer, if any, must continue to file 8 days before the election, 30 days after the election, if a town; and on January 10, if a city.

Limitations on Contributions.

- An individual may contribute up to an aggregate of \$1000 to a candidate and that candidate's committee in a calendar year.
- An individual may contribute up to an aggregate of \$1000 in a calendar year to any other political committee.

- An individual under age 18 may not contribute in excess of \$25 in the aggregate in a calendar year to a candidate of his/her committee (as well as to any other political committee).
- A candidate, a candidate's committee, and a multi-candidate committee may not accept a contribution from a business corporation, or from any association comprised in whole or in part of business corporations.
- The true name and address of the donor must be furnished by the contributor to the receiver of the contribution at the time the contribution is made.
- Contributions listed from a trust, foundation or association must include the names and addresses of its principal officers.
- Contributions from the same person which in the aggregate in a calendar year exceed \$50 must be by check or other negotiable instrument.
- Contributions of anything of value other than cash or checks are "In-Kind" contributions and are reportable as such: Examples: Space for campaign headquarters, furniture, office equipment, etc.
- Loans are defined as contributions, except that bank loans made to a candidate in the ordinary course of business are not contributions.

Limitations on Expenditures.

- Expenditures by a committee organized on behalf of a candidate for city or town office may be made for the enhancement of the political future of the candidate so long as such expenditure is not primarily for the candidate's or any other person's personal use. The Director should be consulted for more specific questions on this provision of the law.
- A candidate may take expenditures from his/her personal funds without limitation for the purposes of the campaign, includ-

ing making contributions to the committee organized on the candidate's behalf. All such expenditures and contributions must be fully disclosed on form CPF M102.

- A business corporation may not expend money on behalf of any candidate, candidate's committee, a multi-candidate committee, or committee or a political party.
- An expenditure for an amount exceeding \$50 must be by check.
- The committee may not give in the aggregate in a calendar year more than \$100 to another candidate's committee: and the aggregate of all such contributions in a calendar year may not exceed \$1500.
- Surplus money may be placed at interest in a savings account or money market account. No other type of investment is permitted.

Prohibited Conduct.

- **NO** state, county, city or town employee, other than an elected official may directly or indirectly solicit or receive any contributions or anything of value for **ANY** political purpose whatsoever.
- Soliciting or receiving campaign contributions in a public building is prohibited.
- No person in the public service may be compelled to make a political contribution or to render any political service.
- No public official or employee may be prejudiced in their employment for failure to make a political contribution, or be so rewarded for making a political contribution.

From time to time the Director issues Advisory Opinions and Interpretive Bulletins that answer specific questions as they relate to Chapter 55. These are available to the public and may be helpful in offering guidance to candidates and committee treasurers.